

## ATTACHMENT 3

Regulation 18707.1 (General Rule):  
Amend

Regulation 18707.3 (Existing Small Jurisdiction Rule):  
Repeal

**ATTACHMENT 3**

**OPTION C**

**SMALL JURISDICTION**

**Amend:**

**18707.1. Public Generally. General Rule.**

(a) Except as provided in Government Code sections 87102.6 and 87103.5, the material financial effect of a governmental decision on a public official's economic interests is indistinguishable from its effect on the public generally if both subdivisions (b)(1) and (b)(2) of this regulation apply.

(b) Significant Segments and Indistinguishable Effects.

(1) Significant Segment. The governmental decision will affect a "significant segment" of the public generally if any of the following are affected as set forth below:

(A) Individuals. For decisions that affect the personal expenses, income, assets, or liabilities of a public official or a member of his or her immediate family, or that affect an individual who is a source of income or a source of gifts to a public official, the decision also affects:

(i) Ten percent or more of the population in the jurisdiction of the official's agency or the district the official represents; or

(ii) 5,000 individuals who are residents of the jurisdiction.

(B) Real Property. For decisions that affect a public official's real property interest, the decision also affects:

(i) Ten percent or more of all property owners or all homeowners in the jurisdiction of the official's agency or the district the official represents; or

(ii) 5,000 property owners or homeowners in the jurisdiction of the official's agency.

1      (C) Principal Residences in Small Jurisdictions. In addition to subdivision (b)(1)(B) of this  
 2      regulation, for decisions that affect the principal residence of a public official in a jurisdiction  
 3      over a population of 25,000 [Decision 1] [*or*: 10,000] or less [Decision 2][or one which  
 4      encompasses a geographic area of [1/2/3] square miles or less], the decision affects [Decision 4]  
 5      at least 100 properties under separate ownership which are [Decision 4A][within a 2,500 foot  
 6      radius of the boundaries of the property which is the subject of the decision.] [Decision 4B]  
 7      [located within the same radius from the boundaries of the property which is the subject of the  
 8      decision as the public official's property is located] [Decision 4C] [the subject of the decision].

9      (D)(~~C~~) Business Entities. For decisions that affect a business entity in which a public official  
 10      has an economic interest the decision also affects 2,000 or twenty-five percent of all business  
 11      entities in the jurisdiction or the district the official represents, so long as the effect is on persons  
 12      composed of more than a single industry, trade, or profession. For purposes of this subdivision,  
 13      a not for profit entity other than a governmental entity is treated as a business entity.

14      (E)(~~D~~) Governmental Entities. For decisions that affect a federal, state or local government  
 15      entity in which the public official has an economic interest, the decision will affect all members  
 16      of the public under the jurisdiction of that governmental entity.

17      (F)(~~E~~) Exceptional Circumstances. The decision will affect a segment of the population  
 18      which does not meet any of the standards in subdivisions (b)(1)(A) through (b)(1)(D), however,  
 19      due to exceptional circumstances regarding the decision, it is determined such segment  
 20      constitutes a significant segment of the public generally.

21      (2) Substantially the Same Manner: The governmental decision will affect a public official's  
 22      economic interest in substantially the same manner as it will affect the significant segment  
 23      identified in subdivision (b)(1) of this regulation.

1     (A) Principal Residences in Small Jurisdictions. The decision will affect the principal  
2     residence of an official in a jurisdiction covered by subdivision (b)(1)(C) of this regulation in a  
3     substantially similar manner as it will affect the significant segment if:

4     (i) the effect of the decision on the official's real property interest will be substantially the  
5     same as the effect of the decision on the majority of residential properties [Decision 4A][within a  
6     2,500 foot radius of the boundaries of the property which is the subject of the decision.]

7     [Decision 4B] [located within the same radius from the boundaries of the property which is the  
8     subject of the decision as the public official's property is located] and

9     (ii) the official's real property is not more than one acre in size, or which, under the zoning  
10    and subdivision regulations of the jurisdiction in which it is located, cannot be further  
11    subdivided.

12    (c) For purposes of this regulation, "principal residence" means the domicile of the  
13    official, in which the official's habitation is fixed, wherein he or she has the intention of  
14    remaining, and to which the official, whenever he or she is absent, has the intention of  
15    returning. At any given time, an official may have only one principal residence. With  
16    respect to units in condominium complexes, planned unit developments, and similar  
17    residences, "the real property that serves as the public official's principal residence" and  
18    "principal residence," as used in this regulation, means the unit or space in which the  
19    official has a separate ownership interest.

20  
21    COMMENT: The term "affect all members of the public" is intended to cover decisions  
22    affecting the public in general but to exclude decisions which uniquely benefit a public official.

23  
24    NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87103,  
25    Government Code.

1 **DELETE:**

2 **~~18707.3. Public Generally – Small Jurisdictions; Principal Residence.~~**

3  
4  
5 (a) ~~The effect of a governmental decision on the principal residence of a public official is not~~  
6 ~~distinguishable from the effect on the public generally where all of the following conditions are~~  
7 ~~met:~~

8 (1) ~~The public official's agency has jurisdiction over a population of 25,000 or less.~~

9 (2) ~~The decision does not have a direct effect (as provided in Title 2, California Code of~~  
10 ~~Regulations, section 18704.2(a)) on the real property that serves as the public official's principal~~  
11 ~~residence.~~

12 (3) ~~The real property that serves as the public official's principal residence is more than 500~~  
13 ~~feet from the boundaries of the property which is the subject of the decision.~~

14 (4) ~~There are at least 100 properties under separate ownership which are within a 2,500 foot~~  
15 ~~radius of the boundaries of the property which is the subject of the decision.~~

16 (5) ~~The principal residence is located on a parcel of land not more than one acre in size, or~~  
17 ~~which, under the zoning and subdivision regulations of the jurisdiction in which it is located,~~  
18 ~~cannot be further subdivided.~~

19 (6) ~~The effect of the decision on the official's real property interest will be substantially the~~  
20 ~~same as the effect of the decision on the majority of the residential properties which are beyond~~  
21 ~~500 feet, but within 2,500 feet of the boundaries of the real property that is the subject of the~~  
22 ~~decision.~~

23 (b) ~~For purposes of this regulation, “principal residence” means the domicile of a person, in~~  
24 ~~which the person's habitation is fixed, wherein the person has the intention of remaining, and to~~  
25 ~~which the person, whenever he or she is absent, has the intention of returning. At any given time,~~

~~a person may have only one principal residence. With respect to units in condominium complexes, planned unit developments, and similar residences, “the real property that serves as the public official's principal residence” and “principal residence,” as used in this regulation, means the unit or space in which the official has a separate ownership interest.~~

~~NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87103, Government Code.~~